

FOR A FREE-MARKET LIBERALISM

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THURMAN ARNOLD'S *The Bottlenecks of Business*¹ may be the important political tract of its time. Broadly interpreted, it is an earnest plea for restoration of free markets in the United States—for preserving our democratic way of life and preserving free internal trade as the basis of our political liberty. Proximately, it is a plea for larger appropriations to finance enforcement of the Sherman Act and, tacitly, for sparing the act, the Anti-Trust Division of the Department of Justice, and Mr. Arnold from the assault of collectivists whom the New Deal and the Defense Commission have drawn to Washington from the Left and from the Right. Arnold and his program are threatened with political liquidation; but he seems quite indisposed to accept that fate or to facilitate concealment of issues which his resignation would involve. His recent prosecutions have been planned, publicized, and carried through with consummate political tact. The book is an appeal, vigorously and adroitly presented, for continuance of the program. His liquidation now may not proceed on schedule; and it can hardly be accomplished at all without a clear revelation of issues and policy implications which his superiors would like to avoid. In any case, it may appear later on that Arnold, almost single-handedly, forestalled administrative legitimatizing of arrangements which have been only less open since the *Schechter* decision.² Extra-legal approval of "industrial self-government" still has much to commend it to politicians, with its simultaneous appeasement of both business and labor leaders; and the military emergency provides an excuse which is as plausible as it is bad.

The large responsibilities and opportunities of his present position have transformed Arnold into a serious and responsible person. Readers of his earlier books,³ if they have not followed his recent activities, may well be amazed at the transformation. A rather cynical, sophistical commentator on our political folklore and symbolism now appears as the zealous, skill-

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¹ *The Bottlenecks of Business*. By Thurman Arnold. New York: Reynal & Hitchcock, 1940. Pp. ix, 335. \$2.50.

² *Schechter v. United States*, 295 U.S. 495 (1935).

³ *The Symbols of Government* (1935); *The Folklore of Capitalism* (1937).

ful advocate of a great cause. Arnold long displayed possibilities as a satirist. But his efforts in that direction were, to some of us, always disappointing and often a bit suspect intellectually. One could seldom discover the truth which guided his sallies at vulgar error and myth; or, if one pieced it together inferentially in separate contexts, it was often as ridiculous as the objects of his ridicule. His was anormative criticism of normative persuasions. Yet, if he never bothered to examine or to reveal his own normative premises, he somehow evaded classification as the mere cynic or smart-aleck whom serious folk might properly ignore—reflecting perhaps only the moral boredom and confusion which was (and is?) public opinion in this apathetic, disillusioned democratic world. Arnold is now neither bored nor confused. Moreover, he has the distinction of being the only highly and strategically placed advocate of the kind of economy within which we might be able to preserve domestically what we propose so zealously to defend against the Axis powers.

There are other recent examples of people adapting their economic and political philosophies to the special tasks which have come their way. Conspicuous among them is Henry Wallace who, in Washington, has naturally been unable to live comfortably with the free-market liberalism which was once his. So, Mr. Wallace has contrived and exhibited publicly another politico-economic creed which generalizes and thus justifies his agricultural program as permanent national policy. Any literate person may now identify Mr. Wallace as our leading advocate of the totalitarian or pre-totalitarian economy of negotiation among tightly organized, monopolizing functional groups—as the mystical, sentimental, emotional partisan of democracy who zealously upholds it internationally while championing the kind of internal policies which have undermined and destroyed it abroad. If Mr. Wallace has made a virtue of trade restraint, others prominent in the government have provided plausible rationale for the financial policies which are the proper complementary preparation for civil war. These colleagues have sophistically extended the sound case for temporary, emergency reflation and conjured up an argument for increasing the federal debt indefinitely—although Mr. Wallace himself has given this argument perhaps its most elegant and ingenuous statement. Other leaders, feeling called upon to justify promiscuous dispensation of subsidies and monopoly privileges, have favored the reading and listening public with engaging purchasing-power doctrines which reproduce almost literally the pompous nonsense with which Republican orators used to sell industrial tariffs to agricultural voters.

It is proper that responsible officials should thus reveal to the public

their persuasions and the intellectual stuff of which they are made. The practice facilitates judgment of how dangerous they are in places of power and, in rare instances, brings to light an individual who can safely be trusted with the power he has and more. Out of the great literary flood which is the public-relations activity of our governmental agencies and leaders, comes now at long last a vigorous, skillful, persuasive statement of a policy position consistent with preservation of our political freedom and democratic institutions. Thurman Arnold has discovered, in the free-market idea, something worth believing, something worth fighting for. The idea, of course, is not novel; and it is surprising that, of all the academic people whom this administration has raised to prominence, this lawyer should be the only one to rediscover and invoke it as a guide for policy. If an old idea is the substance of the book, the book, however, is still a very novel document. Economists will not find here a superlative definition of the idea or of its manifold implications; indeed, they may hardly recognize the thing in the dress Arnold has given it; but they will discover what the thing looks like when it is properly and modestly dressed for presentation to essentially hostile electorates and legislatures at a particular point in time.

The inner substance of Arnold's earlier books (if I mistake not) was discursive dissertation on how to be, if not a dictator, a successful politician —on how to get things done politically. Some of us failed to learn much from these books, but not Arnold. His ideas about strategy and tactics, if less than inspiring in the general, theoretical form of his sociological writing, are impressive and fascinating as he exhibits them in a practical, concrete application. Having acquired a fundamental persuasion of his own, Arnold has contrived one of the most skillful and persuasive arguments for free-market liberalism, as an immediate, practical program, that can be found anywhere. If one looks at the book as a whole, there is enough truth and wisdom to satisfy rather exacting academic readers; if one looks at details, there is enough good hokum and engaging half-truth to meet the best current professional standards of good public relations; and, if one seeks to find where the argument is dangerously exposed to counter-attack, the place is not easy to locate.

Superficially, this book is the most weazeling statement of the general position that could well be put together. If one adds up all the concessions Arnold makes to different groups, without regard for the innocently general statements and the pervasive overtone of the discussion, one might conclude that there is nothing left for Arnold to be against but the Sherman Act. Carrying the ball for free trade, he runs toward and behind his

own goal line whenever he imagines an opponent in the offing; but he never gets downed behind his goal and somehow keeps on the offensive throughout. In the end he is headed squarely in the right direction and, unlike his opponents, exhausted merely from watching his frightened rushes, is fresh and fit at the end as at the start.

Arnold, in other words, is unlike us quixotic orthodox economists who delight in attacking impregnable positions. This is a political situation dominated by minorities, and especially by minorities with vast stakes in existing restraints upon internal trade. A few of us may rail against them in our quiet, academic isolation; but Arnold is fighting a real political battle and against great odds. He cannot take on all the powerful minorities at once or even annoy one of them without risking his political hide. He can attack only gangsters (defining that category most narrowly) and relatively harmless, weakling monopolists whose unpopularity is notorious and whose monopolizing practices have miraculously escaped the general sanctioning implicit in current policy and opinion. The important thing is to prosecute somebody in the name of the Sherman Act, if only the devil himself. The attack upon restraint of trade must be gotten under way somehow and kept going against something; and Arnold, naturally, is more interested in keeping himself and the idea alive than in charting the ultimate limits of conquest.

It is not disparaging to say that Arnold's interest in existing restraints of trade varies inversely with their importance. He has a fine nose for sacred cows and a healthy respect for them. Such animals abound in the areas he traverses; but he never runs headlong into one and never passes near one without pausing to stroke it affectionately and to feed it something nice. He may let drop some very nasty crack about it while he is soothing some other cow far away; but his deportment in the immediate neighborhood is unfailingly respectful and deferential. The amazing thing is that, with all his deferring, retreating, disclaiming, and apologizing, the author still manages to get somewhere, to advocate something substantial, and to keep his colors waving no matter how often he hauls them down.

What Arnold is doing may be indicated by contrast. If I were writing a tract on his general subject, I should start (and end) by saying that our serious and ominous monopoly problem lies in the labor market and in the power of unions to behave monopolistically. Next, I should maintain that enterprise monopoly is largely and basically a problem of excessive corporate size, of corporate imperialism run mad, of the fantastic, monstrous aggregations of businesses which, like our cancerous metropolises, we mis-

takenly regard as monuments to our economic efficiency. Next, that we would not need to worry much about collusive pricing by manufacturers if ownership units were large enough only to obtain the economies of large-scale but highly specialized production; but that it is a hopeless task to prevent effective collusion in industries dominated by giant enterprise aggregations with vast concentration of financial power. Next, that a major barrier to really competitive enterprise and efficient service to consumers is to be found in advertising—in national advertising especially, and in sales organizations which cover great national or regional areas. Saying these things (and they all boil down to a size problem, in both labor and industrial organization), I should be telling the truth—and also rendering both myself and the truth a considerable disservice thereby.

Arnold, on the other hand, is prepared to tell, and perhaps to see, only as much of the truth as may safely or helpfully be told right now. He bows deeply before the “right to bargain collectively” and denies any intention of prosecuting unions as monopolizers of their own labor services. He promises, in this area, to observe the limits set by minority as well as majority opinions of the Supreme Court. The Sherman Act, in his view, is not concerned with union activities directed at wages, hours, working conditions, or union recognition, but only with racketeering and with flagrant collusion between unions and employers to fix product prices—i.e., with the abuse of unions to police restraint of product trade. While such a program ignores the heart of the problem, it is still full of dynamite and, if pursued, would gravely disturb many organizations and leaders whose public-relations have placed them at the opposite end of the scale from gangsters and racketeers. With all his concessions and disclaimers, Arnold still has his teeth in something here. Indeed, he has probably bitten off more than he can chew; but he has taken a position in which even labor is rather estopped from direct attack.

Arnold likewise pays deep respect to the economies of mass production and deplores popular notions of the Sherman Act as an attack upon bigness. He never raises the innocent question of whether production economies ever or frequently require really monopolistic size, or have any place in explaining the actual corporate aggregations which are so large a part of our actual monopoly problem. Nor does he suggest distinction between those productional economies of great size which, if real, are socially desirable and the advertising and selling “economies” which, while possibly very real to the enterprise, are disastrous diseconomies and wastes for the community. Mr. Arnold has no designs upon bigness, save as it gets into the wrong hands and becomes patently wicked. Given the political situa-

tion and the prevailing popular myths, this again is as it should be—as is Arnold's discreet silence on the relation between advertising and monopoly.

A similar explanation may be offered for Arnold's snide and disparaging remarks about system builders, about elaborate coherent schemes of reform, and about broad, general doctrines as to governmental policy. As against communists, socialists, and collectivist planners generally, his disparagement is appropriate and consistent. But what about proponents of schemes consistent with Arnold's own proximate program and purposes? What about advocates of the kind of world or institutional structure which is the proper distant goal of his own schemes, and which alone gives real meaning and significance to his immediate measures? If, in this connection, Arnold is merely kidding the public, being the deliberate and rather transparent hypocrite, again well and good. It would be folly for Arnold to identify himself with any broad "ism," or to expose more than the surface implications of his own proposals.

It may be profoundly wise for an assistant attorney-general to exhibit himself as a plain, simple, ingenuous soul, suspicious of theories and systems, and intent merely on following his nose and enforcing the law as he finds it. Discerning readers will find, however, if Arnold does not, that his book is full of general ideas and theory and, indeed, that these ideas account for its being a good book instead of a bad or inconsequential one. The free-market conception, among ideas which have content and relevance to our problems, is highly general and abstract; and, as a norm for policy, it has innumerable implications which Arnold is not reluctant to expound vaguely or, if the enemy is not too strong, in terms of definite particulars. Moreover, Arnold had many pointed things to say about the relation of trade restraint to fiscal policy and the monetary outlook. If these wise observations are not informed by clearly conceived norms of monetary and budgetary policy, they are simply a fraud.

I trust these remarks will not make Arnold afraid of his shadow or induce schizoid tendencies; but I must say that the difference between system-builders and persons who argue for particular measures in terms of norms of policy as to trade and money is tenuous indeed. One formulates a broad institutional pattern according to his lights and tastes and then appraises particular schemes in terms of whether they lead toward or away from his ideal; the other seemingly gets interested in particular measures and, to support them, constructs the general scheme of things to which they are a proximate means. No responsible advocate of traditional economic liberalism, of free markets and stable money, hopes to see the

necessary institutional structure built overnight or achieved by revolution. Such a faith commits one absolutely to gradualism and, in the face of strongly adverse trends, to the proximate opportunism which Arnold stresses to a fault.

If I belabor here a simple point, it is because it disturbs me greatly as I try to pass judgment on Arnold and his book. The appeal for an immediate, preliminary program is much stronger by virtue of being not patently doctrinaire—by virtue of the vagueness and flexibility of the norms on which the argument rests. However, I cannot avoid suspicion that Arnold is as much afraid of truth,⁴ and of his own moral premises, in the utter privacy of his own thoughts as in the political arena. If so, he may be unworthy of great trust. For the moment, he is a more effective advocate of free-market liberalism because he distrusts big words and grand schemes. We need able people who will do the hard, dull work that can be done in Washington now. However, one must consider the possibility that Arnold, if supported in his present nose-following, may next year be following his nose into other activities which require a different set of normative persuasions and a radically different kind of world as a goal to justify them. Actually, I would trust the fellow; but I wish he would trust himself enough to permit my offering more than intuition as a reason why others should trust him too.

It is significant that Arnold wants no new legislation—even wants not to think about it. Here as elsewhere I have no objection to what he says unless he believes it. It would be unwise to ask help from Congress at this juncture, save for appropriations. Proposing that teeth be put in the Sherman Act, he might awake some morning to find that Congress had repealed it without roll call. While Washington is packed with business and labor leaders, old-fashioned liberals should mention the act only in whispers or obscure euphemisms; and, when others mention it, we should insist, with Arnold, that the act has no teeth save for wicked people and, in an emergency or out, is as flexible as the Constitution itself.

Arnold's tactics are meticulously correct; but are they informed or guided by any strategy? What I make out of Arnold is that monopoly prosecutions should be a kind of perpetual witchhunt, tormenting and dislodging people who make too much money selling things or spend too much producing them; our anti-trust laws should be reinterpreted administratively as simple proscription of unreasonable behavior. In other words, there should be no law at all, but merely endless debate between govern-

⁴ It may forestall misunderstanding to explain that I intend here no reference to theological truth or to "first principles" derived from God, popes, or formal logic.

ment lawyers and counsel for hapless defendants, each trying to persuade the jury-sitting public that particular conduct lies outside or inside the moral pale as defined by emotive slogans currently in vogue.

Lawyers, with their characteristic distaste for government by law, will doubtless like this phase of Arnold's argument. (Only a crochety economist could sense resemblance between what Arnold is proposing and the more outlandish make-work rules which he and others have observed in, say, the building trades.) If he has his way, trade regulation must become the same wondrous mystery as constitutional law. Indeed, his more dithyrambic remarks about the Sherman Act do not avoid that ponderous ambiguity and impenetrable profundity which distinguish (or raise doubts about) the legalistic mind. The act, it seems, is very definite legislation; it is infinitely flexible; it opposes nothing that is good; it does not necessarily apply to anything in particular; it is a bulwark against private usurpation of power; it is our economic common law. But what is it really? Well—it is what the courts say it is, in cases which attorneys-general bring before the courts to find out what it is. All this, one gathers, is as it should be. Courts are a fine thing, as are attorneys-general and lawyers generally. They can be trusted to work things out. Legislatures and laymen, in such delicate matters, should defer to lawyers. The professional arguers can handle such things better if given free rein and left to themselves.

But I do not like the rule of reason (either Mr. Arnold's or the Court's); I am skeptical about this talk of the Sherman Act as a broad constitutional principle of government; and I am diffident about turning our monopoly problems over to a profession which has demonstrated almost infinite capacity to misunderstand them. We have never had an anti-monopoly policy in fact; few lawyers or courts have ever condoned such policy; and the unsubstantial concessions which have been made to advocates of freer markets, in legislation, in court decisions, and in sporadic bursts of innocuous prosecutions, have mainly enabled us to postpone effective action until monopoly conditions have become so consolidated, until interested minorities have become so numerous and powerful, and until the public has become so enamoured of other, incompatible causes, that effective action seems now nearly impossible.

Mr. Arnold, in his present post, has been on a kind of honeymoon. The National Industrial Recovery Act inaugurated an orgy of price-fixing and invited businessmen to do as patriots what they had been doing before, on a vast scale, to be sure, but furtively and with slightly bad conscience. With the *Schechter* decision, those groups which were not sufficiently organized, disciplined, respectable, and experienced for "industrial

self-government" went their way; others were spared the inconvenience of public hearings but evidently saw no need for restraining trade with any great care as to methods or with any real secrecy. Business men were justly proud of their collusive schemes and, I am told, explained them carefully to all kinds of people, even to old-fashioned economists—not to mention their careless filing of incriminating documents.

One cannot deny that Arnold has done a magnificent job. The record is impressive, even when one makes every allowance for the favorable circumstances which he faced. On the other hand, one must be careful about extrapolations. Arnold has skimmed off a rich cream of prosecution opportunities; he has lowered some barriers to recovery; and, above all, he has saved the free-market idea from the utter demoralization which must have ensued if open and flagrant restraint of trade had proceeded without check or punishment. If his program of prosecutions serves only to drive collusion underground, into some decent secrecy, that alone will be a precious gain. I think he may be able to do more than that. But I do not think he can make large or permanent contribution to solution of our monopoly problems, either with the procedures he has been using or with any which are available to him under existing legislation. What he offers, unfortunately, is the best that can safely be tried now or in the near future. On the other hand, only a defeatist attitude would counsel our ignoring now the question of what should come next if this succeeds.

Any substantial achievements by way of monopoly reform must start, I submit, by repudiating that timorous squeamishness which is the rule of reason. When lawyers try to draw a line between lawful and unlawful restraint of trade, they invariably end up with something that looks like the silhouette of a roller-coaster. The idea is that of proscribing behavior involving substantial restraint without otherwise inconveniencing anyone or narrowing his freedom. The purpose may be laudable; but the result is that a few people get caught, rather fortuitously, and the growth of monopoly, with perhaps some formal modification, proceeds apace.

I do not maintain that rules of reason can be dispensed with or that broad, general rules of policy are without value (what the courts have left of anti-trust legislation is now a precious refuge or anchor in a collectivist storm); rather, that main reliance must be placed on definite, legislative implementation, on unambiguous rules of law; and that such rules, if they prevent much restraint, must also and incidentally keep many people from doing things where substantial restraint is neither intended nor possible. The problem is that of selecting for proscription certain practices and arrangements, highly useful or essential for restraint of competition, which

are not essential or highly useful for the conduct of competitive enterprise. More narrowly, it is a problem of depriving corporations of powers and privileges which were unwisely granted, have been patently abused, and are quite unnecessary for effective organization or efficient operation and management. Our whole corporation law, like our patent law, needs complete overhauling.⁵

Mr. Arnold comes disquietingly near to saying that all our industries should be treated as public utilities, and the Anti-trust Division transformed into a super-public-utility commission with power, not to fix prices (rates) but to harrass those who charge unreasonably until they abandon the practice. He will dislike this imputation, of course; but what else is meant when one proposes efficiency of service to consumers as the test of exposure to prosecution? Mr. Arnold has no designs on monopolistic business so long as it charges competitive prices! With his staff following actual prices and computing what the corresponding competitive prices would be (!), Arnold will be crouched ready to pounce upon discrepancies as they appear and to charge the offenders with I don't know what. It is my impression that railroads and public utilities, having enjoyed this kind of attention from considerably more specialized agencies for quite a while, do not present a picture which would encourage general resort to the control arrangements which are unavoidable in these industries. Price regulation has no real alternative there save the perhaps more dangerous device of governmental ownership. Neither is likely to work very well. If the public-utility category were much larger—as good collectivists would like to see it—our politico-economic set-up would have collapsed long ago. Outside this category, however, we have the happy choice of preserving effective competition and letting competition fix prices. Presumably this is what Arnold believes in. If so, he ought to concern himself about maintaining effective competition, not about hammering monopoly prices down to competitive levels with grand juries.

As regards labor monopoly, I share Arnold's distaste for new legislation and his penchant for preoccupation with the short view. Until telepathy is disproved, even thinking about it is dangerous; and, from here and now, it is almost impossible to think constructively in any case. We might face and solve the problem of corporate size; we could repair the damage of

⁵ This is not the place to spell out details of my own tentative schemes for such reform. Indeed, I must confess that my thinking along these lines has not advanced much since I made some rash proposals a few years ago in a "Public Policy Pamphlet," *A Positive Program for Laissez-Faire: Some Proposals for a Liberal Economic Policy* (1934). I am certain that any competent specialist, following the same general ideas, could formulate better concrete suggestions; I wish that some of them would make the effort.

bad patent laws, implementing monopoly arrangements utterly unrelated to the proper purpose of patents; and we could handle rather easily the problem of trade associations and collective bargaining among manufacturers. But what, I ask, could Congress or courts really do, if they tried, to limit the power of national organizations of workers (whether organized on trade or industrial lines)? How shall particular organizations, once strong, be compelled or persuaded to accept their share of new and displaced workers—i.e., to accept wage-rate terms that are consistent with free movement into the industry, occupation, or trade? And how can we preserve a workable democratic system without some approach to a free labor market and free occupational migration? I do not know—and I do not blame Arnold for not raising such questions.

The acuteness of our labor problem is suggested by the imminent danger of Arnold's political liquidation. He has done nothing against unions and will do nothing, that any reasonable person could question. But labor resents what he has done and distrusts him, as it distrusts all free-market ideas. It wants tariffs; it wants complete freedom from the Sherman Act; and, in fact, it wants employers who can fix their selling prices collusively too. American trade and industrial unionism makes sense only for "well-ordered" industries—makes sense only as part of a tight cartelization of industries where it is strong. It wants no competition from abroad and none at home, either in its own markets or in those of its employers. If employers will not or cannot police their product markets against chiselers, unions will undertake that task themselves. Wage fixing is price fixing; labor monopoly means product monopoly even if employers compete effectively; and better wage bargains can be obtained from employers who do not compete with one another than from those who do.

On all sides one hears that the way to abundance is for everyone to charge more and sell less—i.e., to organize, to restrict production, and to raise prices. Monopoly in agriculture is a vaunted achievement of humanitarian reformers. Monopoly in labor markets is a thing which one can question only on pain of being ostracized as a Tory or Fascist and an enemy of working men—even though one posits a maximizing of labor income and a minimizing of inequality as proper goals or tests of policy. Monopoly in product markets, if still condemned because its practitioners are economic royalists, is increasingly commended or condoned as necessary to protection of labor monopoly and to that orderliness and rigidity in particular industries which is the prelude to infinite disorder in our national economy and in our political life.

Into such a world, Thurman Arnold has introduced a skillful and per-

suasive plea for freer markets. His brilliant effort may serve to keep alive a precious idea or bit of wisdom which, if it survives an inauspicious era, may enable us to build that world of freedom and abundance which was foreshadowed a century ago in England and America. If we do not bow to German military power, we may sometime shake off an allegiance to German economic ideology which we accepted substantially before the last war and, with our Allies, accepted almost wholly afterwards. I recognize how easy it is in wartime to find all kinds of devils in the enemy and to blame him for our own mistakes. However, as Arnold intimates, the great ideological conflict of the modern period is (was?) between English free-market liberalism of the early 19th century and a German politico-economic creed which stressed state control of economic life and industrial development. Germany never accepted English liberalism; and even her best scholars rarely understood Adam Smith and Jeremy Bentham and the tradition of thought identified with them. On the other hand, the German creed was always congenial to our own powerful minorities, seeking special favors from the state, and to politicians who lived by such dispensations. Its emphasis upon social legislation appealed to the finest sentiments and led us, sensitive about our so-called "backwardness," into imitative measures subtly but deeply incompatible with our democratic tradition. Appeasing greedy minorities, on the one hand, and sentimental reformers, on the other, we have ignored and seemingly repudiated, as a *desideratum*, that basic dualism of competitive and political controls without which our nation cannot long remain productive or united or free.

Modern authoritarianism comprises strangely diverse sects whose leaders bitterly contest their claims to power; its unwitting apostles are legion; but, practically and in principle, it has but one opponent, namely, English free-market liberalism. Rejecting this element in our political and intellectual heritage (as England itself seems likely to do), we may fight for the privilege of finding our own way back to government by authority; but we cannot wisely regard ourselves as defenders of any great world cause.

Smith, and Bentham especially, stand out, I think, as the great political philosophers of modern democracy. Their special insight was that political and economic power must be widely dispersed and decentralized in a world that would be free; that economic control must, to that end, be largely divorced from the state and effected through a competitive process in which participants are relatively small and anonymous; and that the state must jealously guard its prerogatives of controlling relative prices (and wages), not for the purpose of exercising them directly itself but to prevent organized minorities from usurping and using them against the

common interest. It is such wisdom which Arnold's book and its bold popularization may keep alive in American opinion.

If I belabor him for being unduly preoccupied with a short view and unmindful of long-range considerations, I do this mainly for the purpose of raising questions which, I think, should be discussed, at least in academic circles—questions which Arnold would be unwise to raise if he wanted to. He has already been courageous to the verge of folly. He has said more, and spoken more candidly, than would be appropriate if he were wholly concerned about his own political survival. If the political finesse of his words and actions make it hard for trade union and trade association leaders to liquidate him, his transparent zeal and purpose also make it easy. If he has not escaped defeat, he has assured that it will be rather glorious if it comes. He would greatly advance a cause by keeping at his present job; but he might advance the cause still more by losing the job because of what he boldly stands for. This, among other things, will doubtless give his opponents pause.